VENEMAN ANNOUNCES THAT IMPORT PERMIT APPLICATIONS FOR CERTAIN RUMINANT PRODUCTS FROM CANADA WILL BE ACCEPTED

Scientific Evidence Indicates No Measurable Risk to Public Health

Calls for International Dialogue to Develop a Practical, Risk-based Approach to Trade

WASHINGTON, Aug. 8, 2003--Agriculture Secretary Ann M. Veneman said today that, after a thorough scientific analysis, the U.S. Department of Agriculture will begin accepting applications for import permits for certain ruminant derived products from Canada.

"We have a long history of safeguards in place to prevent the introduction of BSE in the United States, and the continued protection of the U.S. food supply is our top priority," Veneman said. "Our experts have thoroughly reviewed the scientific evidence and determined that the risk to public health is extremely low."

On May 20, 2003 Secretary Veneman temporarily halted imports of live ruminants and most ruminant products from Canada after a cow in Alberta was found to have Bovine Spongiform Encephalopathy (BSE). Today's announcement comes after a close review of the international standards set by the International Office of Epizootics (OIE)—the standard-setting organization for animal health for 164 member nations; an exhaustive epidemiological investigation into the case by Canada, during which no other animals were found to be infected; and additional risk mitigation measures put in place by Canada in response to a review of their investigation by an independent expert panel.

Veneman said that USDA weighed these and many other factors as it evaluated the risk, including the preventive measures that Canada had in place prior to the detection of BSE, such as import controls, feed bans and surveillance measures conducted at levels that met or exceeded the OIE standards.

Based on these determinations, Veneman said that USDA will no longer prohibit the importation of hunter-harvested wild ruminant products intended for personal use and it will begin to accept applications for import permits for certain products from Canada, including:

- Boneless sheep or goat meat from animals under 12 months of age;
- Boneless bovine meat from cattle under 30 months of age;
- Boneless Veal (meat) from calves that were 36 weeks of age or younger at slaughter;
- Fresh or frozen bovine liver;
- Vaccines for veterinary medicine for non-ruminant use; and

• Pet products and feed ingredients that contain processed animal protein and tallow of non-ruminant sources when produced in facilities with dedicated manufacturing lines.

Veneman noted that the single BSE case in Canada and its impact on global trade call for an international dialogue on BSE to develop more practical, consistent guidance to countries regarding the resumption of trade with countries that have reported cases of BSE. Veneman said that the United States, along with Mexico and Canada, have requested that the OIE include such a dialogue in an upcoming meeting of international experts in September.

"The current OIE standards have been helpful in guiding countries with their risk mitigation efforts," Veneman said. "But we are continually learning about this disease and the science is advancing. Many countries with and without BSE have taken new steps to control and prevent it. All this places the international community in a much better position today to develop a practical, risk-based approach to addressing safety issues that impact trade. Countries knowing they will be treated consistently and fairly will have greater incentive to conduct appropriate levels of surveillance and reporting of BSE as well as to demonstrate transparency with their trading partners."

She added, "It is vital that we pursue this course so that there is consistency among trading partners and assurance to consumers around the world that their food supply is safe."

USDA Permitting Process

Hunters can immediately begin bringing wild ruminant meat products intended for their personal use into the United States, but will need a "Veterinary Services Special Permit for the Importation of Hunter-Harvested Wild Ruminant Meat," along with one of the following: a valid Canadian export certificate for game meat, or a copy of a valid hunting license or a valid hunting tag. The permit can be downloaded from http://www.aphis.usda.gov/lpa/issues/bse/bse.html or obtained by calling the APHIS National Center for Import and Export at (301) 734-3277.

Certain other previously banned ruminant meat products may be imported with a "United States Veterinary Permit for Importation and Transportation of Controlled Material." The application can be completed on line at http://www.aphis.usda.gov/vs/import_export.htm or can be downloaded from http://www.aphis.usda.gov/vs/ncie, or can be obtained by calling (301) 734-3277.

Veneman said that a rulemaking process would begin immediately for the importation of live ruminants and ruminant products.

U.S. Steps to Prevent BSE

The United States remains diligent in its BSE surveillance and prevention efforts. A risk assessment conducted by Harvard University in 2001 showed the risk of BSE occurring in the United States as extremely low. The report also determined that early protection systems put into place by the USDA and the Department of Health and Human Services (HHS) have been largely responsible for keeping BSE out of the United States and would prevent it from spreading if it ever did enter the country.

Prevention steps include an active surveillance program, which tests the highest risk animals. USDA more than tripled its testing in FY 2002, and its testing rates are significantly higher than the standards set by the OIE. Under the international standard, a BSE-free country like the United States would be required to test only 433 head of cattle per year. The USDA is now testing 46 times that amount, and to date, no evidence of BSE has been found in the United States.

In August 1997, to further enhance BSE prevention efforts, FDA began prohibiting the feeding of most material from ruminant to other ruminant animals. In addition, FDA and the state regulatory agencies have increased the number of inspections of renderers, animal feed manufacturers, feed mills and other firms responsible for keeping prohibited mammalian protein out of cattle and other ruminant feed. FDA has dedicated more resources to these animal feed inspections and has upgraded its tracking system and database to ensure effective and timely follow-up. FDA is working to assure full compliance with the BSE feed regulation. It annually inspects 100 percent of the limited number of firms that actually handle prohibited material. Over 99 percent of these firms are in substantial compliance. Even if an infected animal were ever to be found in the U.S., the ban would prevent establishment of the disease.

For more information on BSE, visit www.usda.gov

QUESTIONS AND ANSWERS The Importation of Certain Ruminant Products from Canada August 2003

USDA Permitting Process

O. What is a ruminant?

A. Ruminants are animals that have multiple stomachs, such as cattle, sheep, goats, bison, deer, elk, caribou, moose, camels, etc.

Q. Which ruminant products that were banned on May 20, 2003, can now be imported from Canada?

- A. The following ruminant products from Canada will be allowed to enter with a permit:
 - Hunter-harvested wild ruminant products that are intended for personal use;
 - Caribou and Musk ox meat from the Canadian province of Nunavut for commercial use;
 - Veal (meat) from calves that were 36 weeks of age or younger at slaughter;
 - Boneless meat from sheep or goats that were 12 months of age or younger at slaughter;
 - Meat from farm-raised cervids (cervids include deer and elk);
 - Boneless bovine meat from cattle that were 30 months of age or younger at slaughter;
 - Fresh or frozen bovine liver;
 - Finished pet chews that are made from bone, ligaments, hides or hooves; and
 - Calf milk replacer, pet food, and feed ingredients that contain processed animal protein and tallow of non-ruminant sources when produced in facilities with dedicated manufacturing lines.

Q. How can a hunter import wild ruminant meat?

A. In order to import hunter-harvested wild ruminant products, the hunter must obtain a "Veterinary Services Special Permit for the Importation of Hunter-Harvested Wild Ruminant Meat." Importers in the United States can download and print this document directly from APHIS' homepage at: http://www.aphis.usda.gov/lpa/issues/bse/bse.html. Importers can also contact APHIS' National Center for Import and Export by telephone at (301) 734-3277 to obtain the Special Permit or to ask questions.

Q. Can I re-enter the United States at any land border crossing with hunter-harvested meat?

A. No. Only certain ports can be utilized. Visit www.usda.aphis.gov for a list.

Q. What documentation must the hunter present to officials at the port of entry upon their return to the United States from their hunting expedition in Canada?

A. The hunter must have a "Veterinary Services Special Permit for the Importation of Hunter-Harvested Wild Ruminant Meat." The hunter must also have either a valid Canadian Export Certificate for game meat or a valid hunting license or hunting tag. These documents must be presented at the U.S. port of entry and will be reviewed and approved by an inspector with the Department of Homeland Security, Customs and Border Protection.

Q. How do I import the other ruminant products listed above?

- A. The importer in the United States must apply for and receive a "United States Veterinary Permit for Importation and Transportation of Controlled Material." There are three ways to apply:
 - 1. You can apply on-line at the following address: http://www.aphis.usda.gov/vs/import_export.htm. Click on "IMPORT AUTHORIZATION SYSTEM" and follow the directions to apply;
 - 2. You can download and print an application (VS Form 16-3) at the following address << www.aphis.usda.gov/vs/ncie>>; or
 - 3. You can contact APHIS' National Center for Import and Export by telephone at (301)734-3277 to have the application faxed or mailed to you.

Q. What is the definition of a "commercial importation?"

A. A commercial importation is an importation of a product that will be sold and/or further distributed.

Q. What is the definition of an importation that is for "personal use?"

A. Importations that are for personal use include meat and trophies from legally hunted wild ruminants that are imported strictly for the use of the hunter.

Q. What is the definition of a "dedicated facility?"

A. A dedicated facility is an exporting processing facility that does not receive, store, or process ruminant material from any region that USDA designates as being affected with BSE.

Q. Are there any products that do not require a United States Veterinary Import Permit?

A. Yes, there are certain products that require a Canadian Government Certificate rather than a United States Veterinary Import Permit. They include fresh and frozen bovine liver and finished pet chews that are made from ligaments and bone.

Q. How will I know what the Canadian Government Certificate needs to say?

A. Contact APHIS' National Center for Import and Export at (301) 734-3277 for more information.

Q. What will happen if an importer does not have the required documentation?

A. The product will be refused entry into the United States.

Q. If I am a commercial importer of edible ruminant meat, does the exporting processing facility need to be dedicated?

A. No. However, the permit restrictions will differ depending on whether the facility is dedicated or non-dedicated.

Q. Can meat and cattle that originate in the United States be processed in Canada and then returned to the United States?

A. Yes, if certain requirements are met.

Q. What are the requirements to process U.S. origin meat in Canada and then return it to the United States?

A. The requirements will be based on whether the Canadian facility in which the U.S. origin meat is processed is dedicated or non-dedicated. Contact APHIS' National Center for Import and Export at (301) 734-3277 for specific requirements.

Q. Can any live ruminants be imported from Canada into the United States at this time?

A. No. The rulemaking process will begin immediately for the importation of live ruminants and ruminant products.

Q. What is the legal authority for the permitting process? Is there a need for rulemaking?

A. The Department has regulatory authority to issue permits allowing ruminants and ruminant products to enter the United States from Canada, under prescribed conditions, if doing so will not endanger U.S. livestock or poultry (9 C.F.R. § 93.401(a)).

If the Department decides to make changes to the underlying regulation, we will follow the regulatory process, including the opportunity for public comment. Before we take action, the Department will ensure that there is a strong scientific justification for doing so. All actions taken by the Department will be based on sound science.

Q. Are other countries besides Canada with BSE cases going to be allowed to import to the United States too?

If a country believes that they have the same status as Canada, they then can apply to export to the United States. Since Canada has requested that we open the border to low risk materials, the United States has reassessed the systems in place in Canada for reducing risk from BSE. Certain actions, including but not limited to the following, led us to conclude that Canada presents a minimal risk of BSE: A history of stringent import control measures, a strong surveillance system, a feed ban that has been in place for several years and appropriate additional mitigation actions taken as necessary. If another BSE-restricted country requested recognition of a similar status from to the United States, we would assess the preventive systems in place in that country and evaluate the slaughter and processing systems to determine their equivalence with the United States system.

Trade Issues

Q. Will the import of certain products from Canada impact U.S. export markets?

A. We have been in close communication with our export partners regarding these actions. After failing to implement appropriate BSE preventative measures—measures that have been in place in Canada and the United States since 1989—Japan has had seven reported cases of BSE. The Japanese consumer received mixed messages about BSE and consumer confidence fell. Japan's government responded by requesting an identification process from all beef suppliers—and this was being discussed prior to BSE in Canada.

We do not feel that the Japanese government is justified in its decision to exclude Canadian beef from our beef and beef products exported to Japan. Although the United States does not believe such steps are necessary, we are working to provide the industry a system that can be used to verify U.S. beef exports.

Q. Why is a certification process needed if Canadian beef is safe?

A. We do not feel that it is needed. Japan is basing its identification requirement on commercial marketing factors and not on science-based principles. However, in order to maintain an important export market for U.S. beef, we are working to provide a requested measure that meets Japan's current marketing expectations. Other foreign suppliers to Japan had already agreed to the Japanese demands.

A process verification system for beef exports to Japan is voluntary. It is a proven marketing tool that is currently used by many different sectors of the U.S. beef industry at all levels of marketing, but it has nothing to do with food safety.

We will continue to work to convince Japan to remove this unnecessary requirement.

Safety

Q. How does the permitting process change the risk of BSE occurring in the United States?

A. Our experts have thoroughly reviewed the scientific evidence and determined that the risk to public health is extremely low. We feel that the Canadian system of beef production and processing has been and continues to be based on a strong foundation of preventive measures to keep BSE from spreading. Canada has also taken numerous actions, including an effective feed ban in the 1990's, an aggressive surveillance program, and a heightened awareness at ante-mortem inspection for central nervous system disorders to minimize the risk of BSE.

In addition, the U. S. has had a strong system of preventive measures in place since 1997. We have had a feed ban in place since 1997 that, according to a Harvard Risk Assessment, has been the U.S.'s most effective means of BSE prevention. The U.S. has continued to expand the BSE surveillance program as well as strengthen efforts on feed ban compliance. We are currently evaluating all of our safeguards to ensure that they reflect the most recent science.

Other countries such as Japan that have found recurring cases of BSE did not effective preventive programs in place until after a case of BSE was found.

Q. Should the United States take any additional preventive actions?

A. Canada announced additional steps that are appropriate for a country that has had a case of BSE. The U.S. has already taken aggressive action to provide multiple firewalls against BSE, including prohibiting certain specified risk material in ground beef products and has an active surveillance program in place to ensure risk material is not present. Although we feel confident that safeguards currently in place provide ample safety, we will continue to reassess our safeguard measures using science based principles. We have

asked Harvard to re-evaluate its BSE risk assessment in light of the single case of BSE in Canada.

Q. Can you explain the justification for allowing such products as boxed beef in from Canada?

The USDA Transmissable Spongiform Encephalopathy (TSE) Working Group continues to reassess the information that they had been working on for some time prior to the Canadian case regarding the identification of products that present low risk for carrying the BSE-infectious agent. Based on peer-reviewed research, muscle cuts do not appear to transmit infection. Whole muscle boneless cuts of beef from countries in the same risk category as Canada do not contain the types of nervous system tissues that could carry the BSE-infectious agent.

Boneless beef containing whole muscle cuts are very low risk, do not contain central nervous system tissues and will be allowed to be imported only from cattle younger than 30-months of age.

The U.S. is taking a measured approach to allowing low risk materials from Canada into the U.S. The U.S. believes that Canada, like the U.S., has had an effective prevention system in place for many years in order to reduce the likelihood that the BSE-infective agent was present. We believe that the Canadian system of beef production and processing has been and continues to be based on a strong foundation of BSE prevention measures. The combination of an effective feed ban in the 1990's, an aggressive surveillance program, and a heightened awareness at ante-mortem inspection for CNS disorders has been effective in reducing the risk of BSE in Canada.

In addition, Canada has had a regulatory system for beef slaughter and processing that has been deemed equivalent to the U.S. system. Since the identification of the BSE case in Canada, the U.S. government has sent delegations of scientists to Canada to further improve the preventive and compliance measures employed by Canada to ensure that the on-going systems are sound and effective.

Q. Are you confident that the single Canadian cow is an isolated case?

Canada conducted an extensive investigation into the case of BSE including the trace back and trace forward of the suspected animals of origin. Canada depopulated over 2700 animals that could have been associated with the case animal and tested them for BSE. No other cases were found. In addition, Canada had an international expert panel review their investigation and found it to be scientifically valid.

Canada had strong mitigation steps in place, including a ruminant feed ban, to prevent the spread of BSE should a case been found--mitigation steps not present in other BSE countries such as Japan. As noted in the 2001 Harvard Risk Assessment, this type of ban is an important measure to prevent the spread of the animal disease. Canada has implemented additional measures as necessary in response to the finding of the case of BSE.